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8 January 1975

MEMORANDUM

Kvasha on the Funding of Space Research Technology

Introduction

The last two sentences of a footnote in a recently published article, authored by Soviet economist Ya. B. Kvasha, have been cited by Mr. William T. Lee as evidence that the cost of Soviet space hardware is not included in the official Soviet series on total outlays for science. The sentences read as follows:

"Finally, a number of scientific research projects give rise to supplementary expenditures outside the sphere of science. For example, capital investments and current costs in connection with production of space research technology."*

The purpose of this memorandum is to scrutinize Kvasha's statement in the light of Lee's assertion and of OSR's methodology for estimating Soviet

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* As translated in JPRS 62680, Correlation of Expenditures for Science and Productive Capital Investments, 8 August 1974, p. 17 (available from the National Technical Information Services, Springfield, Virginia 22151)

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10-101 -- For your Suspense 18 Oct

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MEMORANDUM FOR: Director/OER ✓
Director/OSR

Maurice --

This is the piece of paper offered
by Bill Lee which is one of the things
fueling Schlesinger's latest blast about
our estimates. Could I have your reaction?

15/
Paul V. Walsh
Acting DDI

2 October 1974
(DATE)

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1 AUG 54 WHICH MAY BE USED.

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